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MINUTES OF THE REGULAR COMMISSION MEETING OF THE MICHIGAN PUBLIC SERVICE COMMISSION HELD IN ITS OFFICES ON DECEMBER 21, 2010

Commission Chairman Orjiakor N. Isiogu called the meeting to order at 1:30 p.m.  
Executive Secretary Mary Jo Kunkle called the roll and declared there was a quorum.

**PRESENT**

Commission: Orjiakor N. Isiogu, Chairman  
Monica Martinez, Commissioner  
Greg R. White, Commissioner

Staff: Lisa Gold  
Judy Palnau  
Mary Jo Kunkle  
Catherine Bowers

Public: Jerry Crandall, MIRS  
Michael Rampe, Miller Canfield  
Suzy Denison, MEGA  
Bev Roberts, Consumers Energy  
Jim Padgett, DTE Energy  
Kwafo Adarkwa, ITC Holdings  
Robin Gleason, AT&T  
Dave Forsberg, U.P. Power Company  
Lisa Gustafson, Consumers Energy  
Tim Hoffman, Consumers Energy

- I.** Chairman Isiogu announced three amendments to the published agenda, Section III B, Item #4, the caption was amended to read REP contract, and Section III C, Item #1, Case No. U-16125 and Item #7, Case No. U-16447 were deleted, Commissioner Martinez moved to approve the amended agenda, Commissioner White seconded.

Vote: Yeas – Isiogu, Martinez, White  
Nays – None

The amended agenda was approved.

- II.** Commissioner Martinez moved to approve the minutes of the Regular Commission Meeting of December 2, 2010 and of the Special Commission Meeting of December 13, 2010, Commissioner White seconded.

Vote: Yeas – Isiogu, Martinez, White  
Nays – None

The minutes were approved.

### **III. ORDERS**

#### **A. COMMUNICATIONS**

1. MINUTE ACTION AT&T MICHIGAN  
(wireless emergency service costs – Case No. U-14000)

Commissioner Martinez moved that the Commission adopt and issue minute dated December 21, 2010 finding that the attached AT&T Michigan invoice No. 517 R41-0001 067 9 for the period of September 1, 2010 to November 30, 2010, is for wireless emergency service costs recoverable under 2007 PA 165, MCL 484.1408(4)(b). The Commission approves the attached invoice in the amount of \$130,237.44 for reimbursement by the Michigan Department of Treasury, Commissioner White seconded.

Vote: Yeas – Isiogu, Martinez, White  
Nays – None

The minute was adopted.

2. U-12003 RANGE CORPORATION  
(license surrender)

Commissioner Martinez moved that the Commission adopt and issue order dated December 21, 2010 which involves a request by Range Corporation to surrender its license to provide basic local exchange service. The order before you grants the request, Commissioner White seconded.

Vote: Yeas – Isiogu, Martinez, White  
Nays – None

The order was adopted.

3. U-15489 COMMISSION'S OWN MOTION  
(Court of Appeals remand)

Commissioner Martinez moved that the Commission adopt and issue order dated December 21, 2010 which involves a remand from the

Court of Appeals to determine the reasonable and necessary county 9-1-1 surcharge for 2008 for 24 appellant counties. The order before you finds that the surcharges set by the Commission on March 11 and June 3, 2008, should not be adjusted, Commissioner White seconded.

Vote: Yeas – Isiogu, Martinez, White  
Nays – None

The order was adopted.

4. U-16468 ACE TELEPHONE COMPANY OF MICHIGAN, INC.  
(license expansion)

Commissioner Martinez moved that the Commission adopt and issue order dated December 21, 2010 which is an application for expansion of a license to provide basic local exchange service. The order before you grants the license expansion, Commissioner White seconded.

Vote: Yeas – Isiogu, Martinez, White  
Nays – None

The order was adopted.

5. U-16477 DEERFIELD FARMERS TELEPHONE COMPANY AND METROPCS  
MICHIGAN, INC.  
U-16505 GRANITE TELECOMMUNICATIONS, LLC, AND AT&T MICHIGAN  
U-16508 CHIPPEWA COUNTY TELEPHONE COMPANY AND VERIZON  
WIRELESS  
U-16509 HIAWATHA TELEPHONE COMPANY AND VERIZON WIRELESS  
U-16510 MIDWAY TELEPHONE COMPANY AND VERIZON WIRELESS  
U-16511 ONTONAGON COUNTY TELEPHONE COMPANY AND VERIZON  
WIRELESS  
(interconnection agreements and amendments)

Commissioner Martinez moved that the Commission adopt and issue order dated December 21, 2010 which requests Commission approval of interconnection agreements or amendments. The order before you approves the requests, Commissioner White seconded.

Vote: Yeas – Isiogu, Martinez, White  
Nays – None

The order was adopted.

6. U-16492 ACE TELEPHONE COMPANY OF MICHIGAN, INC.  
(ETC designation)

Commissioner Martinez moved that the Commission adopt and issue order dated December 21, 2010 which involves an application by Ace Telephone Company of Michigan for designation as an eligible telecommunications carrier in the Old Mission exchange. The order before you grants the application, Commissioner White seconded.

Vote: Yeas – Isiogu, Martinez, White  
Nays – None

The order was adopted.

**B. ELECTRIC**

1. U-15604 THE ROYAL BANK OF SCOTLAND, PLC  
(AES license relinquishment)

Commissioner Martinez moved that the Commission adopt and issue order dated December 21, 2010 which involves the application of The Royal Bank of Scotland, PLC, to relinquish its license as an alternative energy supplier. The order before you grants the request, Commissioner White seconded.

Vote: Yeas – Isiogu, Martinez, White  
Nays – None

The order was adopted.

2. U-15662-R WISCONSIN PUBLIC SERVICE CORPORATION  
(’09 PSCR reconciliation)

Commissioner Martinez moved that the Commission adopt and issue order dated December 21, 2010 which involves an application by Wisconsin Public Service Corporation for a power supply cost recovery reconciliation proceeding for the 12-month period ended December 31, 2009. The order before you approves a settlement agreement resolving all issues in the case, Commissioner White seconded.

Vote: Yeas – Isiogu, Martinez, White  
Nays – None

The order was adopted.

**PRESS RELEASE ISSUED**

3. U-15805 CONSUMERS ENERGY COMPANY  
(renewable energy contracts)

Commissioner Martinez moved that the Commission adopt and issue order dated December 21, 2010 which involves an application by Consumers Energy Company for *ex parte* approval of 45 contracts for the purchase of solar energy, capacity, and renewable energy credits under the Experimental Advanced Renewable Program. The order before you approves the contracts in compliance with Act 295 of 2008, Commissioner White seconded.

Vote: Yeas – Isiogu, Martinez, White  
Nays – None

The order was adopted.

**PRESS RELEASE ISSUED**

4. U-15806 THE DETROIT EDISON COMPANY  
(REP contract)

Commissioner Martinez moved that the Commission adopt and issue order dated December 21, 2010 which involves an application by The Detroit Edison Company for *ex parte* approval of an amendment to the 2010 Solar Engineering, Procurement and Construction Contract between the company and Nova Consultants, Inc. The order before you grants this request, Commissioner White seconded.

Vote: Yeas – Isiogu, Martinez, White  
Nays – None

The order was adopted.

5. U-15964 COMMISSION'S OWN MOTION  
(mergers and acquisitions rulemaking)

Commissioner Martinez moved that the Commission adopt and issue order dated December 21, 2010 which provides a notice of opportunity to comment on proposed rules governing the standards and application process for mergers and acquisitions, Commissioner White seconded.

Vote: Yeas – Isiogu, Martinez, White  
Nays – None

The order was adopted.

**PRESS RELEASE ISSUED**

6. U-16160 COMMISSION'S OWN MOTION  
(closing docket)

Commissioner Martinez moved that the Commission adopt and issue order dated December 21, 2010 which involved an investigation into the ability of electric utilities to meet customers' expected electric requirements in 2010. The order before you closes the docket in this matter, Commissioner White seconded.

Vote: Yeas – Isiogu, Martinez, White  
Nays – None

The order was adopted.

7. U-16166 UPPER PENINSULA POWER COMPANY  
(rate case)

Commissioner Martinez moved that the Commission adopt and issue order dated December 21, 2010 which involves an application by Upper Peninsula Power Company for authority to increase its retail electric rates. The order before you approves a settlement agreement resolving all issues in the case, Commissioner White seconded.

Vote: Yeas – Isiogu, Martinez, White  
Nays – None

The order was adopted.

**PRESS RELEASE ISSUED**

8. U-16304 CLOVERLAND ELECTRIC COOPERATIVE  
(Edison Sault Legacy Service Territory)  
(renewable energy plan reconciliation)

Commissioner Martinez moved that the Commission adopt and issue order dated December 21, 2010 which involves the application of Cloverland Electric Cooperative for authority to reconcile renewable energy plan costs associated with the renewable energy plan approved for the territory formerly served by Edison Sault Electric Company. The order before you approves a settlement agreement resolving all issues in the case, Commissioner White seconded.

Vote: Yeas – Isiogu, Martinez, White  
Nays – None

The order was adopted.

9. U-16308 INDIANA MICHIGAN POWER COMPANY  
(REP reconciliation)

Commissioner Martinez moved that the Commission adopt and issue order dated December 21, 2010 which involves the application of Indiana Michigan Power Company for a renewable cost reconciliation proceeding for the plan approved in Case No. U-15808 for the 12-month period ended December 31, 2009. The order before you approves a settlement agreement resolving all issues in the case, Commissioner White seconded.

Vote: Yeas – Isiogu, Martinez, White  
Nays – None

The order was adopted.

10. U-16316 UPPER PENINSULA POWER COMPANY  
(REP reconciliation)

Commissioner Martinez moved that the Commission adopt and issue order dated December 21, 2010 which involves the application of Upper Peninsula Power Company for reconciliation of renewable energy surcharge revenues and expenses associated with the plan approved in Case No. U-15810 for the period ended December 31, 2009. The order before you approves a settlement agreement resolving all issues in the case, Commissioner White seconded.

Vote: Yeas – Isiogu, Martinez, White  
Nays – None

The order was adopted.

11. U-16320 GREAT LAKES ENERGY COOPERATIVE  
(REP reconciliation)

Commissioner Martinez moved that the Commission adopt and issue order dated December 21, 2010 which involves the application of Great Lakes Energy Cooperative for authority to reconcile renewable energy plan costs associated with the plan approved in Case No. U-15817 for the period ended December 31, 2009. The

order before you approves a settlement agreement resolving all issues in the case, Commissioner White seconded.

Vote: Yeas – Isiogu, Martinez, White  
Nays – None

The order was adopted.

12. U-16322 GREAT LAKES ENERGY COOPERATIVE  
U-16326 MIDWEST ENERGY COOPERATIVE  
U-16330 ONTONAGON COUNTY RURAL ELECTRIFICATION ASSOCIATION  
U-16334 PRESQUE ISLE ELECTRIC & GAS CO-OP  
U-16338 THUMB ELECTRIC COOPERATIVE  
U-16354 CLOVERLAND ELECTRIC COOPERATIVE  
(EOP reconciliation)

Commissioner Martinez moved that the Commission adopt and issue order dated December 21, 2010 which involves the applications of Great Lakes Energy Cooperative, Midwest Energy Cooperative, Ontonagon County Rural Electrification Association, Presque Isle Electric & Gas Co-op, Thumb Electric Cooperative, and Cloverland Electric Cooperative for authority to reconcile their energy optimization plan costs associated with plans previously approved by the Commission. The order before you approves a settlement agreement resolving all issues among the parties, Commissioner White seconded.

Vote: Yeas – Isiogu, Martinez, White  
Nays – None

The order was adopted.

13. U-16324 MIDWEST ENERGY COOPERATIVE  
(REP reconciliation)

Commissioner Martinez moved that the Commission adopt and issue order dated December 21, 2010 which involves the application of Midwest Energy Cooperative for authority to reconcile renewable energy plan costs associated with the plan approved in Case No. U-15818 for the period ended December 31, 2009. The order before you approves a settlement agreement resolving all issues in the case, Commissioner White seconded.

Vote: Yeas – Isiogu, Martinez, White  
Nays – None



The order was adopted.

14. U-16328 ONTONAGON COUNTY RURAL ELECTRIFICATION ASSOCIATION  
(REP reconciliation)

Commissioner Martinez moved that the Commission adopt and issue order dated December 21, 2010 which involves the application of Ontonagon County Rural Electrification Association for authority to reconcile renewable energy plan costs associated with the plan approved in Case No. U-15819 for the period ended December 31, 2009. The order before you approves a settlement agreement resolving all issues in the case, Commissioner White seconded.

Vote: Yeas – Isiogu, Martinez, White  
Nays – None

The order was adopted.

15. U-16332 PRESQUE ISLE ELECTRIC & GAS COOPERATIVE  
(REP reconciliation)

Commissioner Martinez moved that the Commission adopt and issue order dated December 21, 2010 which involves the application of Presque Isle Electric & Gas Co-op for authority to reconcile renewable energy plan costs associated with the plan approved in Case No. U-15820 for the period ended December 31, 2009. The order before you approves a settlement agreement resolving all issues in the case, Commissioner White seconded.

Vote: Yeas – Isiogu, Martinez, White  
Nays – None

The order was adopted.

16. U-16336 THUMB ELECTRIC COOPERATIVE  
(REP reconciliation)

Commissioner Martinez moved that the Commission adopt and issue order dated December 21, 2010 which involves the application of Thumb Electric Cooperative for authority to reconcile renewable energy plan costs associated with the plan approved in Case No. U-15821. The order before you approves a settlement agreement resolving all issues in the case, Commissioner White seconded.

Vote: Yeas – Isiogu, Martinez, White

Nays – None

The order was adopted.

17. U-16360 WISCONSIN PUBLIC SERVICE CORPORATION  
(REP reconciliation)

Commissioner Martinez moved that the Commission adopt and issue order dated December 21, 2010 which involves the application of Wisconsin Public Service Corporation for reconciliation of renewable energy surcharge revenues and expenses associated with the plan approved in Case No. U-15811 for the period ended December 31, 2009. The order before you approves a settlement agreement resolving all issues in the case, Commissioner White seconded.

Vote: Yeas – Isiogu, Martinez, White  
Nays – None

The order was adopted.

18. U-16384 THE DETROIT EDISON COMPANY  
(self-implementation refund)

Commissioner Martinez moved that the Commission adopt and issue order dated December 21, 2010 which involves The Detroit Edison Company's application to refund to customers revenue amounts overcollected during the period of self-implemented rates from July 2009 to January 2010. The order before you grants the application, with modifications, Commissioner White seconded.

Vote: Yeas – Isiogu, Martinez, White  
Nays – None

The order was adopted.

**PRESS RELEASE ISSUED**

19. U-16512 CONSUMERS ENERGY COMPANY  
(tariff adjustment)

Commissioner Martinez moved that the Commission adopt and issue order dated December 21, 2010 which involves an application by Consumers Energy Company for reconciliation of costs and revenues associated with decommissioning of the Big Rock Point Nuclear Power Plant. The order before you authorizes the company

to adjust its current negative surcharge in the amount of \$0.004267 per kilowatt-hour applied to its retail electric customers' bills to \$0.002419 per kilowatt hour for the utility's January 2011 billing month, Commissioner White seconded.

Vote: Yeas – Isiogu, Martinez, White  
Nays – None

The order was adopted.

**PRESS RELEASE ISSUED**

20. U-16515 COMMISSION'S OWN MOTION  
(electric supply investigation)

Commissioner Martinez moved that the Commission adopt and issue order dated December 21, 2010 which requires regulated electric utilities to file assessments of their ability to meet customers' expected electric requirements in 2011 and requests the utilities' affiliates, alternative electric suppliers, and other suppliers to file similar assessments, Commissioner White seconded.

Vote: Yeas – Isiogu, Martinez, White  
Nays – None

The order was adopted.

**PRESS RELEASE ISSUED**

**C. GAS**

1. U-16149 CONSUMERS ENERGY COMPANY  
( '10 GCR plan)

Commissioner Martinez moved that the Commission adopt and issue order dated December 21, 2010 which involves a request by Consumers Energy Company for approval of its gas cost recovery plan and factors for April 2010 through March 2011. The order before you approves the request, with modifications, and authorizes Consumers to implement a base gas cost recovery factor of \$6.9934 per thousand cubic feet for the billing months of April 2010 through March 2011, Commissioner White seconded.

Vote: Yeas – Isiogu, Martinez, White  
Nays – None

The order was adopted.

**PRESS RELEASE ISSUED**

2. U-16169 SEMCO ENERGY GAS COMPANY  
(rate case)

Commissioner Martinez moved that the Commission adopt and issue order dated December 21, 2010 which is a general natural gas rate case proceeding filed by SEMCO Energy Gas Company on June 29, 2010. The order before you addresses the company's self-implementation of a rate increase, Commissioner White seconded.

Vote: Yeas – Isiogu, Martinez, White  
Nays – None

The order was adopted.

**PRESS RELEASE ISSUED**

3. U-16188 SAVOY ENERGY LIMITED PARTNERSHIP  
(pipeline)

Commissioner Martinez moved that the Commission adopt and issue order dated December 21, 2010 which involves an application to amend the route and construction of the East Bay Pipeline in Grand Traverse County. The order before you approves the proposed revisions, Commissioner White seconded.

Vote: Yeas – Isiogu, Martinez, White  
Nays – None

The order was adopted.

4. U-16257 MICHIGAN CONSOLIDATED GAS COMPANY  
(uncollectible expense true-up mechanism)

Commissioner Martinez moved that the Commission adopt and issue order dated December 21, 2010 which involves an application by Michigan Consolidated Gas Company requesting approval of its uncollectible expense true-up mechanism computation for the 2009 calendar year and a review of the company's 2009 annual safety and training related expenditures. The order before you accepts the safety and training report and authorizes the company to implement

a surcharge for 2009 uncollectibles over a 12-month period,  
Commissioner White seconded.

Vote: Yeas – Isiogu, Martinez, White  
Nays – None

The order was adopted.

**PRESS RELEASE ISSUED**

5. U-16441 CONSUMERS ENERGY COMPANY  
(self-implementation refund)

Commissioner Martinez moved that the Commission adopt and issue order dated December 21, 2010 which involves an application filed by Consumers Energy Company for authority to refund excess revenues collected through self-implemented rates in 2010. The order before you authorizes Consumers Energy Company to refund \$10,716,000 of excess revenues, Commissioner White seconded.

Vote: Yeas – Isiogu, Martinez, White  
Nays – None

The order was adopted.

**PRESS RELEASE ISSUED**

6. U-16493 MICHIGAN CONSOLIDATED GAS COMPANY  
(transportation contract)

Commissioner Martinez moved that the Commission adopt and issue order dated December 21, 2010 which involves an application by Michigan Consolidated Gas Company for *ex parte* approval of a special gas transportation agreement with Marathon Petroleum Company LP. The order before you approves the application, Commissioner White seconded.

Vote: Yeas – Isiogu, Martinez, White  
Nays – None

The order was adopted.

7. U-16494 MICHIGAN CONSOLIDATED GAS COMPANY  
(transportation storage contract)

Commissioner Martinez moved that the Commission adopt and issue order dated December 21, 2010 which involves an application filed by Michigan Consolidated Gas Company requesting *ex parte* approval of a second amended special gas transportation and storage agreement with Dearborn Industrial Generation, L.L.C. The order before you approves the application, Commissioner White seconded.

Vote: Yeas – Isiogu, Martinez, White  
Nays – None

The order was adopted.

8. U-16506 PRESIDIUM ANTRIM WEST, LC  
(Act 9 pipeline)

Commissioner Martinez moved that the Commission adopt and issue order dated December 21, 2010 which involves an application by Presidium Antrim West, LC, seeking authority to construct and operate the Fruit Haven Extension Pipeline in Joyfield and Pleasanton Townships, Benzie County. The order before you approves the application, Commissioner White seconded.

Vote: Yeas – Isiogu, Martinez, White  
Nays – None

The order was adopted.

#### **D. MOTOR CARRIER**

1. MINUTE ACTION MOTOR CARRIER ACT  
(delegation)

Commissioner Martinez moved that the Commission adopt and issue minute dated December 21, 2010 amending the minute issued February 3, 2009 regarding the implementation of Section 1(m) of 2008 PA 584; MCL 475.1(m), which provides that the Commission may delegate decision-making authority in modified procedure motor carrier matters to an employee of the Commission Staff. As amended, the minute shall now provide that the Commission delegates its decision-making authority in modified procedure cases to the Director of the Commission's Motor Carrier Division, or in the case of a vacancy in that directorship, to the Director of the Commission's Regulatory Affairs Division until the vacant directorship is filled by a new appointee, Commissioner White seconded.

Vote: Yeas – Isiogu, Martinez, White  
Nays – None

The minute was adopted.

#### **IV. PUBLIC COMMENTS**

There were no public comments.

Chairman Isiogu announced that the next regularly scheduled Commission Meeting will be held on January 6, 2011.

Commissioner Martinez moved that the Commission adjourn, Commissioner White seconded.

Vote: Yeas – Isiogu, Martinez, White  
Nays – None

The motion was approved.

The meeting adjourned at 1:54 p.m.

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Mary Jo Kunkle  
Executive Secretary